

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	)	File No. ITC-97-222
)	
Application for Authority under)	
Section 753(c) of the International)	
Maritime Satellite Act and Section)	
214 of the Communications Act of)	
1934, as amended, to establish)	
channels of communication between)	
land earth stations at Brewster,)	
Washington, Santa Paula, California,)	
Southbury, Connecticut and Clarksburg,)	
Maryland and Inmarsat Third Generation)	
Satellites in the Atlantic Ocean Region-)	
West and Pacific Ocean Region)	
In support of Federal Aviation)	
Administration's Wide Area)	
Augmentation System)	
)	
COMSAT CORPORATION)	
D/b/a COMSAT MOBILE)	
COMMUNICATIONS	)	File Nos. SES-MOD-19980217-00197
	)	SES-LIC-19970520-00657
	)	SES-LIC-19980211-00183
For authority to permit communications	)	SES-LIC-19980211-00182
Via its land earth stations at Brewster,	)	SES-LIC-19980217-00202
Washington, Santa Paula, California	)	SES-LIC-19970812-01108
Southbury, Connecticut and Clarksburg,	)	SES-MOD-19990709-01203
Maryland and Inmarsat, Ltd. Third)	
Generation satellites in the Atlantic)	
Ocean Region-West and Pacific Ocean)	
Region in support of the Federal Aviation)	
Administration's Wide Area)	
Augmentation System)	
)	
)	
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	)	File Nos. SES-AMD-19990108-00012
	)	SES-AMD-20000501-00719
	)	SES-AMD-19990108-00015

	)	SES-AMD-20000501-00695
For authority to permit communications	)	SES-AMD-19990108-00041
via its land earth stations at Brewster,	)	SES-AMD-20000501-00720
Washington, Santa Paula, California,	)	SES-AMD-19990108-00011
Southbury, Connecticut and Clarksburg,	)	SES-AMD-20000501-00721
Maryland and Inmarsat, Ltd. third	)	SES-AMD-19990108-00016
generation satellites for the provision of	)	SES-AMD-20000501-00722
mobile satellite services	)	SES-MOD-19990108-00051
	)	SES-AMD-20000501-00701
	)	SES-MOD-19990108-00071
	)	SES-AMD- 19990405-00425
	)	SES-AMD- 20000501-00703
	)	SES-MOD-19990108-00075
	)	SES-AMD- 19990405-00426
	)	SES-AMD-20000501-00699
	)	SES-MOD-19990108-00017
	)	SES-AMD-20000501-00711
	)	SES-AMD-19990108-00013
	)	SES-AMD-20000501-00723
	)	SES-MOD-19990108-00048
	)	SES-AMD- 19990405-00423
	)	SES-AMD-20000501-00718
	)	SES-MOD-19990108-00055
	)	SES-AMD-20000501-00702
	)	SES-MOD-19990108-00024
	)	SES-AMD- 19990405-00428
	)	SES-AMD-20000501-00704
	)	SES-MOD-19990108-00018
	)	SES-AMD-19990405-00424
	)	SES-AMD-20000501-00717
	)	SES-MOD-19990108-00062
	)	SES-AMD-20000501-00712
	)	SES-MOD-19990108-00020
	)	SES-AMD-19990405-00429
	)	SES-AMD-20000501-00716
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	) File No.	SES-LIC-19990924-01627
)	
Application for authority to operate one)	
1.8-meter transmit-only land earth station)	
at Santa Paula, California, to provide)	
TT&C operations with the Inmarsat 3F3)	
Satellite)	
)	
)	
COMSAT GENERAL CORPORATION	) File No.	SES-MOD-20000313-00409
)	
Application for authority to modify its)	
existing 2.4-meter land earth station at)	

Sunset Beach, HI, to add INMARSAT)	
Ltd.-2 and 3 satellites in the Pacific)	
Ocean Region)	
)	
)	
STRATOS MOBILE NETWORKS)	
(USA), LLC	) File Nos.	SES-MOD-19990108-00009
	)	SES-AMD-20000426-00663
For authority to permit communications	)	SES-MOD-19990108-00010
via its land earth stations at Alameda,	)	SES-AMD-20000426-00664
California and Staten Island, New York	)	SES-MOD-19990108-00083
and Inmarsat Ltd. satellites for the	)	SES-AMD-20000426-00655
provision of mobile satellite services)	
)	
)	
COMSAT CORPORATION)	
)	
Application for authority pursuant	) File No.	SAT-ITC-20000605-00103
to Section 214 of the Communications)	
Act of 1934, as amended, to provide)	
U.S. domestic land mobile and)	
aeronautical satellite services via)	
Inmarsat Ltd. satellites)	
)	
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	) File No.	SES-LIC-20000609-00944
)	
Application for blanket authority to)	
operate up to 1000 Inmarsat M-4)	
mobile earth terminals using)	
Inmarsat Ltd. satellites)	
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	) File No.	SES-LIC-20000609-00946
)	
Application for blanket authority to)	
operate up to 1000 Inmarsat Mini-M)	
mobile earth terminals using)	
Inmarsat Ltd. satellites)	
)	
COMSAT CORPORATION)	
d/b/a COMSAT MOBILE)	
COMMUNICATIONS	) File No.	SES-LIC-20000609-00947
)	
Application for blanket authority to)	
operate up to 1000 Inmarsat-M)	
mobile earth terminals using)	
Inmarsat Ltd. satellites)	

Ocean Regions)	
)	
)	
MARINESAT COMMUNICATIONS)	
NETWORK, INC. d/b/a)	
STRATOS COMMUNICATIONS	)	File No. SES-LIC-20010221-00360
)	
Application for blanket license to)	
operate up to 1000 Inmarsat M)	
mobile earth terminals using Inmarsat)	
Ltd.-3 satellites in the East and)	
West Atlantic Ocean Regions)	
)	
)	
MARINESAT COMMUNICATIONS)	
NETWORK, INC. d/b/a)	
STRATOS COMMUNICATIONS	)	File No. SES-LIC-20010221-00361
)	
Application for blanket license to)	
operate up to 1000 Inmarsat Mini-M)	
mobile earth terminals using Inmarsat)	
Ltd.-3 satellites in the East and)	
West Atlantic Ocean Regions)	
)	
)	
MARINESAT COMMUNICATIONS)	
NETWORK, INC. d/b/a)	
STRATOS COMMUNICATIONS	)	File No. SES-LIC-20010221-00362
)	
Application for blanket license to)	
operate up to 1000 Inmarsat B)	
mobile earth terminals using Inmarsat)	
Ltd.-3 satellites in the East and)	
West Atlantic Ocean Regions)	
)	
)	
MARINESAT COMMUNICATIONS)	
NETWORK, INC. d/b/a)	
STRATOS COMMUNICATIONS	)	File No. SES-LIC-20010221-00363
)	
Application for blanket license to)	
operate up to 1000 Inmarsat C)	
mobile earth terminals using Inmarsat)	
Ltd.-3 satellites in the East and)	
West Atlantic Ocean Regions)	
)	
)	
HONEYWELL, INC.	)	File No. SES-LIC-20000403-00534
)	
Application for blanket license)	
to operate up to 500 mobile earth)	
stations using Inmarsat Ltd.)	
satellites)	
)	

DEERE & COMPANY)	
	) File No.	SES-LIC-20010112-00051
Application for blanket authority to)	
operate up to 10,000 receive-)	
only domestic mobile earth stations)	
that will receive transmissions)	
from the Inmarsat II, F-2 satellite)	
)	
SITA INFORMATION	) File No.	SES-MS-20000209-01020
COMPUTING CANADA, INC.)	
)	
Application pursuant to Section 214)	
of the Communications Act of 1934,)	
as amended, for authority to provide)	
resale and facilities-based domestic)	
and international services)	
)	
IDB MOBILE COMMUNICATIONS)	
INC.	) File No.	ITC-214-19981214-00859
)	
Application pursuant to Section 214)	
of the Communications Act of 1934, as)	
amended, to provide domestic)	
aeronautical mobile satellite services)	
via Inmarsat satellite system)	

ORDER ON RECONSIDERATION

Adopted: July 1, 2002

Released: July 5, 2002

By the Commission:

I. INTRODUCTION

1. We have before us a Petition for Reconsideration filed by Litigation Recovery Trust ("LRT") and a Petition for Partial Reconsideration filed by Inmarsat Ventures plc ("Inmarsat") in the above captioned proceeding. In the proceeding, the Commission granted authority to several applicants to provide domestic and international Mobile Satellite Service ("MSS") via the Inmarsat satellite system using L-band frequencies.¹ LRT requests reconsideration of the decision insofar as it granted the applications of Comsat Corporation on behalf of Comsat Mobile Communications and Comsat General Corporation ("Comsat" or "Comsat applications"). Inmarsat requests the Commission, as part of its implementation of the Open-Market Reorganization for the Betterment of International Telecommunications Act (the

¹ In the Matter of Comsat Corporation d/b/a Comsat Mobile Communications, *et al.*, File No. ITC-97-22 *et al.*, *Memorandum Opinion, Order, and Authorization*, FCC 01-272, 16 FCC Rcd 21,661 (2001) (*Inmarsat ORBIT Act Compliance Order*).

“ORBIT Act”),² to establish a *de minimis* threshold with respect to officers or managers of Inmarsat having a direct financial interest in any former Signatories to Inmarsat, when Inmarsat was an intergovernmental organization.

2. On October 9, 2001, In the *Inmarsat ORBIT Act Compliance Order*, the Commission granted authority to several applicants to operate land earth stations (“LES”) and mobile earth terminals (“METS”) with Inmarsat satellites to provide mobile satellite services to, from, and within the United States. Inmarsat Ltd. (d/b/a Inmarsat plc) is a former intergovernmental satellite organization operating a global satellite system in the L-band and providing maritime, aeronautical, and land mobile satellite services. Inmarsat privatized in 1999 as a United Kingdom corporation. The Commission found that Inmarsat had privatized in a manner consistent with the requirements of Sections 621 and 624 of the ORBIT Act, not pertaining to the requirement that Inmarsat conduct an initial public offering (“IPO”).³ It also found under Section 601(b) of the Act that the use of Inmarsat satellites for services to, from, and within the United States would not harm competition in the telecommunications market of the United States.⁴ Having made the findings required by the Act, the Commission granted applications before it to provide Inmarsat services in the United States, subject to certain conditions. While the Commission had previously authorized the provision of international MSS in the L-band via Inmarsat, its action was the first time that it had authorized on a non-temporary basis the use of Inmarsat for domestic services in the United States.⁵

3. For the reasons stated below, we deny LRT’s Petition for Reconsideration and grant Inmarsat’s Petition for Partial Reconsideration.

II. DISCUSSION

A. LRT Petition

4. LRT’s Petition for Reconsideration is directed only at the Comsat applications that the Commission granted in the *Inmarsat ORBIT Act Compliance Order*. LRT represents certain individuals and entities that have unsuccessfully been pursuing claims against Comsat over several years in various fora, including the Commission.⁶ The claims arise out of disputes

² ORBIT Act, 47 U.S.C. § 761 (2001).

³ *Inmarsat ORBIT Act Compliance Order*, 16 FCC Rcd at 21,694, para. 58.

⁴ *Id.* at paras. 59-60.

⁵ None of the conditions placed on the authorizations are subject to the petitions for reconsideration that have been filed by LRT and Inmarsat.

⁶ LRT represents claims by William L. Whitely, Scott Robb, John T. Whitely and William H. Hallenbeck, and includes the Committee to Restructure the International Satellite Organizations (“CRISO”) and BelCom Minority Shareholders and Claimants Committee (“BelCom Committee”). In 1998, Comsat successfully brought legal action in Delaware Chancery Court against a former defendant shareholder of BelCom, Scott Robb, who is one of those represented by LRT. The court found that Robb was in breach of fiduciary duty to BelCom by pursuing fraudulent claims against the company. *BelCom, Inc. v. Scott Robb*, Del. Civil Action No. 14663 (April 28, 1998), *aff’d subnom. Scott Robb v. BelCom, Inc.*, 725 A.2d 443 (Jan. 20, 1999), rehearing denied (Feb. 11, 1999). In 2001, the Delaware Chancery court denied William Whitely’s motion to vacate the 1998 *BelCom* decision and a sanctions *Order* issued February 21, 2001. *BelCom v. Robb*, Del. Ch. Case No. 14463, *Order*, August 21, 2001. A New York court has disbarred Scott Robb for conduct arising from actions against BelCom. *In re Robb*, N.Y. App. Div., October 23,

over operation of a former Comsat subsidiary, Belcom, Inc., of which one member of LRT was previously a director and owner.⁷ The Commission has previously denied petitions of LRT in other Comsat-related proceedings and the court has dismissed LRT's appeals in these matters.⁸ We are today denying in companion orders LRT petitions raising the same issues raised by LRT here. We expect that LRT will not raise these issues again in future proceedings.

5. In this proceeding, LRT requests that the Commission revoke its grant of Comsat's applications, conduct an investigation of Comsat's alleged unlawful conduct and take disciplinary actions against Comsat, and its senior management, including sanctions, forfeitures, and penalties. As a basis for its request, LRT raises the same allegations previously raised in other proceedings and being addressed in companion orders we are adopting today. LRT raises issues raised in the petitions for reconsideration it filed in the Comsat merger proceeding that Comsat engaged in fraudulent billing activities through a previously owned subsidiary, Electromechanical Systems, Inc. ("EMS") as demonstrated in court litigation, and that these actions, along with Comsat and Lockheed Martin's alleged failure to amend its pending application in this and other proceedings raise character issues as to Comsat's qualifications to be a Commission licensee.

6. Comsat requests that the Commission dismiss the LRT petition on the basis that it is without merit and unrelated to this proceeding, and that LRT filed it for no legitimate purpose other than harassment of Comsat over LRT claims against Comsat that have previously been rejected by state courts.

7. We first note that LRT states that it did not originally participate in this proceeding because "it had no knowledge that the subject Inmarsat service applications (ES applications) submitted by [Comsat] were under review by the International Bureau." The Commission's rules require that if a petition for reconsideration is filed by a person who is not a party to the proceeding, the petition:

Shall state with "particularity the manner in which the person's interests are adversely affected by the action taken and shall show good reason why it was not possible for him

2001. And, the United States District Court for the Southern District of New York has (1) dismissed a Securities Act claim brought by LRT against Comsat, *Whitely v. Comsat*, S.D.N.Y. Order, Case No. 00 Cir. 9401 (October 29, 2001); and (2) dismissed LRT's complaint against Comsat, that made various allegations under federal and state law. *Whitely v. Comsat*, S.D.N.Y., Case No. 00 Cir. 9401, *Memorandum and Order* (September 24, 2001).

⁷ Lockheed Martin sold BelCom to Weissker, Inc. BVI, a British Virgin Islands company, in late 2001.

⁸ *William L. Whitely, et.al. v. Federal Communications Commission*, Case No. 00-4207 (2d Cir. June 1, 2001) (The court dismissed the petition for review on June 1, 2001, for failure to prosecute. On June 25, 2001, the court dismissed LRT's motion to reinstate its petition for review. On August 24, 2001, the court denied LRT's request that it reconsider its order to dismiss LRT's original petition for review.) In that order, the court also granted the Commission's request to require LRT to pay the Commission's attorney's fees.

to participate in the earlier stages of the proceeding.”⁹

Other than to describe other Comsat and Lockheed Martin-related proceedings, in which it has filed petitions, LRT fails to show how its interests have been adversely affected by the International Bureau’s authorization of Comsat to provide services via Inmarsat. LRT does not show it is either a customer of Comsat or a potential competitor in the provision of communications services. Nor does LRT show that it is acting beyond the interests of its members and their ongoing dispute with Comsat arising from the operation of Belcom. LRT makes no attempt to demonstrate good cause why it could not participate in the earlier stages of the proceeding. We therefore find LRT’s petition procedurally defective.

8. In a companion order we adopt today denying LRT’s Petition for Reconsideration of the Commission’s authorization of Lockheed Martin’s acquisition of Comsat, we address and reject LRT’s allegations that Comsat is not a qualified Commission licensee because of the EMS matter.¹⁰ We also find that Comsat complied with Commission requirements in notifying the Commission of the EMS matter. LRT does not, in this proceeding, provide new factual information that would persuade us to reach a different decision on the content of this proceeding. Moreover, the circumstances surrounding the EMS matter were a matter of public record and known to the Commission when it issued the authorizations to Comsat to operate with Inmarsat. Our action came over a year after Comsat informed the Commission of the plea agreement on the EMS case.¹¹ We therefore deny LRT’s Petition for Reconsideration.

9. Finally, we note the following with regard to Comsat/Lockheed’s claims that LRT and/or its members’ primary aim is to harass Comsat and its successors and/or assigns by abusing the Commission’s processes in order to cause Comsat and its successors and/or assigns to capitulate to LRT and/or its members’ demands for compensation relating to a long ago corporate dispute involving the LRT members and Comsat. We take Comsat/Lockheed’s claims very seriously. As described earlier in this order, there has been a documented pattern of conduct by LRT and/or its members with regard to Comsat and/or its successors or assigns that indeed appears to go beyond legitimate advocacy. In such cases, it is well-established that the Commission and its staff may impose sanctions upon parties participating in Commission proceedings if they file pleadings primarily for abusive purposes.¹² These sanctions could include

⁹ 47 C.F.R. § 1.106(b)(i) (2001).

¹⁰ Lockheed Martin Corporation, Comsat Government Systems, LLC, and Comsat Corporation, Applications for Transfer of Control of Comsat Corporation and its Subsidiaries, Licensees of Various Satellite, Earth Station, private Land Mobile Radio and Experimental Licenses, and Holders of International Section 214 Authorizations, *Order and Authorization*, File Nos. SAT-T/C-20000323-00078 *et al.*, FCC 00-277, 15 FCC Rcd 22,910, *Erratum*, 15 FCC Rcd 23,506 (2000) (*Phase II Order*).

¹¹ Letters to the Secretary, Federal Communications Commission, from Raymond G. Bender (Counsel for Comsat Corporation) accompanying amendments to earth station applications: 1) SES-MOD-19991115-0215700431; (2) SES-LRC-1998021700202 *et seq.*; (3) SES-MOD-2000313-00409 *et seq.*; (4) SES-LRC-19990330 *et seq.* and (5) SES-MOD-19990108-00020, dated August 21, 2000.

¹² See, e.g., *In re Application of Nationwide Communications, Inc.*, *Memorandum Opinion and Order*, FCC 98-7, 13 FCC Rcd 5654, 5655-56 (1998) (*Nationwide Communications*).

restrictions on participation in Commission proceedings to prevent abuse of its processes.¹³ In considering challenges to pending applications, "the Commission need [not] allow the administrative processes to be obstructed or overwhelmed by captious or purely obstructive protests."¹⁴ The Commission has authorized its Bureaus and Offices to impose sanctions upon participants whose primary purpose is to abuse the Commission's processes.¹⁵ Given the Commission's goal of encouraging participation in FCC proceedings, however, it only considers the possibility of such sanctions in egregious cases where the abusive nature of the pleadings is clear. In this regard, a pleading filed primarily to harass an applicant rather than to air legitimate, substantive objections relevant to the proceeding in which they are filed, is a situation that would justify a summary dismissal of such pleading.¹⁶ Alternatively, should a party engage in such an abusive course of conduct before the agency, the Commission may decide to require the party to obtain the Commission's prior permission to file documents based on a prior showing of public interest.¹⁷ We hereby expressly warn LRT and/or its members that they may face summary dismissal of their pleadings or the alternative procedure of prior screening of their pleadings should they file abusive or harassing pleadings with the agency.

B. Inmarsat Petition

10. In authorizing Comsat and other applicants to operate with Inmarsat, the Commission made findings as to whether Inmarsat's 1999 privatization Inmarsat was consistent with the requirements of the ORBIT Act. The ORBIT Act was enacted in March 2000, to promote a competitive market for satellite communications services through a fully privatized INTELSAT and Inmarsat.¹⁸ It specifies criteria for determining whether privatization is pro-competitive. Among the criteria are restrictions on Inmarsat's officers, directors, and managers. Section 621(5)(D)(ii) provides, in part, that Inmarsat shall:

have no officers or managers who (I) are officers or managers of any signatories or former signatories, or (II) have any direct financial interest in or financial relationship to an signatories or former signatories, except that such interest may be managed through a blind trust or similar mechanism.¹⁹

¹³ See, e.g., *In re Applications of Radio Carrollton, et al.*, *Memorandum Opinion and Order*, Docket No. 19636-37, 69 FCC 2d 1138, 1148-55 (1978).

¹⁴ *United Church of Christ v. FCC*, 359 F.2d 994, 1005 (D.C. Cir. 1966).

¹⁵ See the Public Notice, Commission Taking Tough Measures Against Frivolous Pleadings, FCC 96-42, 11 FCC Rcd 3030 (1996).

¹⁶ See *Nationwide Communications*, 13 FCC Rcd at 5655-56.

¹⁷ See *In re Martin-Trigona*, 592 F.Supp. 1566, 1568 (D. Conn. 1984); *In re Notice to John Cervase*, Letter from Vincent J. Mullins, Secretary, FCC, by Direction of the Commission, *Notice*, FCC 75-891, 54 FCC 2d 1039 (1975).

¹⁸ 47 U.S.C. § 761.

¹⁹ 47 U.S.C. § 621(5)(D).

In comments made in the Inmarsat ORBIT Act compliance proceeding, Inmarsat informed the Commission that, while none of its officers or managers are officers or managers of a former signatory, several officers and managers own *de minimis* numbers of shares in British Telecom (“BT”), the former United Kingdom Signatory in Inmarsat. The Commission agreed with Inmarsat that the ORBIT Act gives it discretion to permit *de minimis* financial interests that do not raise concerns about former signatories having undue influence on Inmarsat’s officers or managers. The Commission found, however, that Inmarsat provided no information on the record by which to determine whether the financial interests in BT held by its officers and managers are in fact *de minimis*. As a result, the Commission required the investments to be placed in a blind trust pursuant to the Act, but said that Inmarsat may provide additional information on reconsideration, which we may take into account in determining whether a blind trust is necessary for the investments involved.²⁰

11. By way of example, the Commission referenced an analogous situation in Federal law regarding conflicts of interest, which prohibits federal employees from participating in decisions involving entities in which they have a direct or indirect financial interest.²¹ The applicable statute recognizes that in certain cases the nature and size of the financial interest might be too remote or too inconsequential to affect the integrity of the services of the individuals in question.²² The Commission said that regulations promulgated by the Office of Government Ethics to implement this conflict of interest law provide an automatic *de minimis* exemption for securities where the aggregate market value of the holding of the individual and his or her family is less than \$5,000.²³ Subsequent to the Commission’s Inmarsat ORBIT Act Compliance Order, the regulations were amended to provide for a \$15,000 *de minimis* exemption, effective April 18, 2002.²⁴

12. On reconsideration, Inmarsat states that twenty members of its executive management team and middle management own stock in former signatories. Inmarsat states that eighteen are valued at \$10,000 or less and fourteen are valued at \$5,000 or less. Inmarsat also states that in compliance with the Commission’s *Order*, it directed the two affected individuals with stock holdings above \$10,000 (one holding approximately \$50,000 in stock and the other approximately \$100,000 in stock) to reduce promptly their holdings below the proposed *de minimis* threshold by either (i) selling those holdings; (ii) relinquishing their direct financial interest in the stock through a transfer of ownership to a spouse, domestic partner, or another individual; or (iii) placing the stock in a trust managed by an independent trustee, to which such individual is the beneficiary. Pending resolution of the *de minimis* issue raised in this Petition, however, Inmarsat said that it has not yet imposed such an obligation on interests of former signatories of \$10,000 or less, but will do so if the Commission determines that it is necessary.

13. Inmarsat requests that we establish a *de minimis* standard of \$10,000 for purposes of implementing the ORBIT Act. Inmarsat contends that a \$10,000 *de minimis* threshold would avoid placing an unfair burden on officers and managers who would have to choose between (1) selling the stock in a depressed market; (2) paying annual administrative fees associated with

²⁰ *Inmarsat ORBIT Act Compliance Order*, 16 FCC Rcd at 21,689, para. 47.

²¹ *Id.* at n. 122, citing 18 U.S.C. § 208(a).

²² 18 U.S.C. § 208(b)(2).

²³ *Id.*, citing 5 C.F.R. § 2640.202(a) (2001).

²⁴ 67 Fed. Reg. 12,443 (March 19, 2002) (to be codified at 5 C.F.R. pt. 2640).

putting the stock in a blind trust; or (3) resigning their positions.²⁵ Inmarsat also contends that a \$10,000 *de minimis* standard would not harm competition because no future agreement between Inmarsat and a former signatory made in the normal course of business would have an impact on the value of a stockholding of that size.²⁶ Inmarsat contends that it is difficult to imagine that an Inmarsat officer or manager with such *de minimis* holdings would be able to make a meaningful profit based upon favoritism to the former signatory. Inmarsat proposes that the \$10,000 *de minimis* limit be based upon the value of the stock holdings as of the date of the Commission's Inmarsat ORBIT Act Compliance Order and not by the value of the stock as affected by future market fluctuations or by variations in the exchange rate.²⁷ In effect, Inmarsat proposes that holdings valued at \$10,000 or less at the date of the Commission's Order be grandfathered as well as any securities issued as a distribution or dividend on, or redemption of, as a replacement for, or in exchange of those securities. Inmarsat states that its officers and managers, including those twenty individuals at issue, would not be permitted to purchase any stock in former signatories in the future.

14. Inmarsat's proposed *de minimis* standard is unopposed. We agree that a \$10,000 *de minimis* level for the twenty existing stockholders would not give these officers or managers strong incentive to act in a manner favorable to the former signatory in which they hold stock. In fact, in view of the recent change in federal regulations establishing a \$15,000 *de minimis* level for federal employees, we believe that establishing a \$15,000 *de minimis* level for purposes of implementing the ORBIT Act is appropriate. We do not agree with Inmarsat that its twenty officers and managers should be "grandfathered" so as to permit them to allow the value of their holdings in former signatories to rise beyond a *de minimis* level to an unspecified level. While we have found that the ORBIT Act allows us to permit *de minimis* holdings, Inmarsat provides no basis under the Act by which we can take this additional step. Therefore, we establish \$15,000 as the level for *de minimis* holdings valued at the time of our *Inmarsat ORBIT Act Compliance Order*. We reject Inmarsat's proposal that stockholdings valued at \$10,000 or less prior to the date of our *Inmarsat ORBIT Act Compliance Order* may be allowed to rise in value beyond the *de minimis* level. We require Inmarsat to make appropriate arrangements with the twenty officers and managers in question to assure that, should the situation arise in which their holdings increase in value above the *de minimis* level, the individuals will take reasonable steps to reduce their holdings below the *de minimis* level in a similar manner as the two individuals described in the Inmarsat Petition who initially had holdings at the time of our Order. We request Inmarsat to notify us within 45 days of the date of the release of this Order the arrangements that it has made in this regard.

III. CONCLUSION

15. In view of the above discussion, we deny LRT's Petition for Reconsideration in this proceeding. Consistent with the discussion above, we grant Inmarsat's Petition for Partial Reconsideration.

²⁵ Inmarsat Petition for Partial Reconsideration at 3-5.

²⁶ *Id.* at 6.

²⁷ *Id.* at 4-5.

IV. ORDERING CLAUSES

16. Accordingly, IT IS ORDERED that the Petition for Reconsideration filed by Litigation Recovery Trust is DENIED in all respects.

17. IT IS FURTHER ORDERED that the Petition for Partial Reconsideration filed by Inmarsat Ventures plc. Is GRANTED subject to paragraph 13 above.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary